

RESOLUTION NO. 2021-108

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ENCINITAS, CALIFORNIA, INCREASING THE SHORT-TERM
RENTAL PERMIT APPLICATION AND RENEWAL FEES**

WHEREAS, on November 17, 2021, the Encinitas City Council considered Ordinance No. 2021-22 to amend the City of Encinitas' (City) short-term rental regulations under Chapter 9.38 of the Encinitas Municipal Code (EMC); and

WHEREAS, Ordinance No. 2021-22 authorizes a nonrefundable short-term rental permit application fee and renewal fee, which fees shall defray, in part, the costs incurred by the City in administering and enforcing EMC Chapter 9.38; and

WHEREAS, the City desires to increase the existing short-term rental permit application and renewal fees, which have not been updated since their adoption in 2006 under Resolution No. 2006-32; and

WHEREAS, the proposed permit fees that are the subject of this Resolution were agendized for consideration by the City Council at a duly noticed public meeting on November 17, 2021, at which all interested persons were afforded an opportunity to be heard on such proposed fees; and

WHEREAS, not less than 10 days prior to the public hearing, the data supporting the amounts of the proposed fees was made available for public review by contacting the Office of the City Clerk; and

WHEREAS, after receiving the evidence and any testimony presented at the public hearing, the City Council found that the fees established by this Resolution do not exceed the estimated reasonable costs of providing the services for which the fees are charged.

NOW, THEREFORE, the City Council of the City of Encinitas hereby resolves as follows:

Section 1. The foregoing recitals are true and correct.

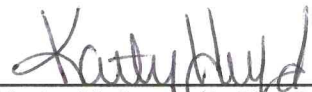
Section 2. The City Council finds and determines that the formula and calculations used to determine the fees established by this Resolution for short-term rental permits and renewal of permits, as shown on the chart attached hereto as Exhibit A, do not exceed the estimated costs reasonably borne by the City for providing the services, including, but not limited to, reviewing and processing permit applications and renewal applications, and inspecting and enforcing such operations, as applicable.

Section 3. The fees established by this Resolution shall only be implemented with the implementation of Ordinance No. 2021-22, and shall become effective on the effective date of Ordinance No. 2021-22.

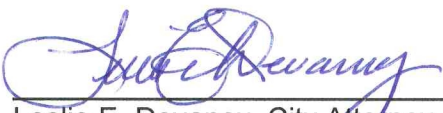
PASSED, APPROVED AND ADOPTED this _17th___ day of __November____, 2021
by the City Council of the City of Encinitas, State of California.


Catherine S. Blakespear, Mayor

ATTEST:



Kathy Hollywood, City Clerk

APPROVED AS TO FORM:


Leslie E. Devaney, City Attorney

CERTIFICATION: I, Kathy Hollywood, City Clerk of the City of Encinitas, California, do hereby certify under penalty of perjury that the foregoing Resolution was duly adopted at a regular meeting of the City Council on the _17th___ day of _November____, 2021 by the following vote:

AYES: Blakespear, Kranz, Lyndes, Mosca
NOES: None
ABSENT: Hinze (recused due to conflict of interest and left the Council Chambers)
ABSTAIN: None


Kathy Hollywood, City Clerk

ATTACHMENT:

Exhibit A – Analysis of Short-Term Rental Permit & Renewal Fees

EXHIBIT A

Analysis of Short-Term Rental Permit & Renewal Fees

Staff evaluated the costs incurred in reviewing, approving, and issuing a short-term rental permit and annual renewal. Permit applications and renewals are reviewed by the Development Services Department and the Fire Marshal. A total of approximately four (4) hours and 30 minutes of staff time is involved in the review and inspection for an initial permit application, incurring costs of approximately \$531.83. For renewals of permits, staff time spent does not change as the entire application packet is required to be submitted upon a renewal request.

The tables below show the components of the time spent reviewing applications for new permits and permit renewals. The hourly rates listed are the fully loaded labor cost rates for each position. The fully loaded rate includes salary, benefits, and overhead costs. Program Assistant III, Planner IV, Code Enforcement Supervisor, and the Fire Marshal are involved with the application processing of short-term rental permits and renewals.

Title	Hours	Rate	Cost	80% Cost
Program Assistant III	1	\$89.12	\$89.12	\$71.30

Title	Hours	Rate	Cost	80% Cost
Planner IV	2	\$124.74	\$249.48	\$199.58

Title	Hours	Rate	Cost	80% Cost
Code Enforcement III	1	\$ \$117.59	\$ \$117.59	\$94.07

Title	Hours	Rate	Cost	80% Cost
Fire Marshal	.5	\$151.27	\$75.64	\$60.51

Proposed Initial Permit Fee = \$425

Annual Renewal Fee = \$425

Initial Permits

Development Services counter staff receives applications, reviews for compliance with the Short-term Rental Ordinance requirements, routes the application for review by Fire Prevention staff and Finance Department, issues permits, and keeps permit records. At any time before, or after, a permit is issued, the Code Enforcement III will conduct an inspection of the site to ensure the site is arranged in accordance with the site plan and floor plan approved with the permit, and the Ordinance. The total staff time spent in reviewing and issuing a Short-term Rental Permit is approximately four (4) hours and 30 minutes, which incurs costs of \$531.83.

Permit Renewals

The amount of time spent in reviewing an application for permit renewal takes the same amount of time as the initial approval because the applicant is required to resubmit all of their application materials upon renewal request. The total staff time spent in issuing a renewal is estimated to be approximately four (4) hours and 30 minutes, which incurs costs of \$531.83.

Fees

The Short-term Rental Permit review process is led by the Development Services Department, which generally achieves cost recovery of approximately 80 percent of the actual costs. Based on 80 percent cost recovery, staff suggests an initial fee of \$425 for a Short-term Rental Permit and Renewal fee.